



Remarks For

The Honorable Jovita Carranza
Deputy Administrator
U.S. Small Business Administration

Delivered At The

**National Veterans Business Workshop at the
American Legion National Convention**

Phoenix, Arizona

Tuesday, August 26, 2008

Notes:

Introduction

- Thank you, Lou [Celli], for that very nice introduction.
- I'm delighted to be here today, and I consider it a privilege to have been invited to offer opening remarks to this remarkable group of veterans who are small business owners and entrepreneurs.
- We at the Small Business Administration admire all that you have done in defending freedom and all that you are doing now, enjoying that hard-won freedom by contributing to the economy through your creative business ventures.
- We also appreciate the sacrifices made by more than 1.5 million Americans – representing 1.2 million men and women serve on active duty in the armed forces, and an additional 1.8 million serve in the Reserves and National Guard -- who have been deployed to serve in Afghanistan and Iraq.
- Because military activations and extensions have a profound impact on entrepreneurs and business owners in the military community, SBA wants to make sure that veteran entrepreneurs like you have the tools to start, develop, and grow their businesses.
- SBA is especially proud that we guarantee more than \$1 billion annually in loans for businesses owned by veterans like you.
- Did you know that approximately 4 million veterans, and that 13 percent of reservists, are small business owners?
- These business owners, including many in this room, are making significant contributions to the American economy. And we believe that the unique technical and leadership skills these business owners acquired through military service play a key role in your success.

Patriot Express Loans

- This is exactly why we launched the Patriot Express Loan Initiative in June 2007.
- Patriot Express is coupled with and supported by SBA's full menu of financial and technical assistance programs directed to the military community.

- This promising program is open to:
 - Veterans;
 - Service-disabled veterans;
 - Active-duty service members eligible to participate in the military's Transition Assistance Program (TAP);
 - Reservists and National Guard members;
 - Current spouses of any of the above;
 - Spouses of any active-duty service member; and
 - The widowed spouse of a service member or veteran who died during service or of a service-connected disability.
- Available through SBA's extensive network of participating lenders nationwide, Patriot Express loans enjoy SBA's fastest turnaround time for loan approvals.
- These loans are available up to \$500,000 and qualify for SBA's maximum guaranty of up to 85 percent for loans of \$150,000 or less, and up to 75 percent for loans over \$150,000 up to \$500,000.
- Patriot Express loans can be used for most business purposes, including start-up, expansion, equipment purchases, working capital, inventory or business-occupied real-estate purchases.
- Patriot Express Loans feature SBA's lowest interest rates for business loans, generally 2.25 percent to 4.75 percent over prime depending on the size and maturity of the loan.
- Since the roll out last year, we have approved nearly 2,000 Patriot Express loans totaling almost \$200 million. The average loan amount is roughly \$100,000.
- But Patriot Express is not the only type of loan that SBA offers to our veterans.
- We also provide loans of up to \$2 million under the Military Reservist Economic Injury Disaster Loan program for losses that occur when a business owner or key employee is called up for active duty as a reservist.

Government Contracting

- The Patriot Express and Economic Injury loans are not the only way SBA serves veterans. We also work hard to help veterans get federal contracts.

- Through our Office of Government Contracting and Business Development, we help small businesses -- including those owned by veterans -- compete for and win government contracts.
 - We do this not just out of fairness; but in the interests of competitiveness, as their size makes small businesses flexible, innovative, and often more efficient than large companies.
 - In the last year for which final data is available, small businesses secured nearly \$77 billion in prime federal contracts and \$61 billion in subcontracts across the federal government.
- Part of our role is to work with federal agencies to achieve federally mandated targets not only for small business overall but also for groups such as Service Disabled Veterans.
 - Under an executive order signed by President Bush, the SBA is responsible for helping other federal agencies meet the requirement to award 3 percent of their contracts to service-disabled veteran-owned small businesses (or SDVOSBs).
 - Our research shows that less than 1 percent of small businesses are owned by service-disabled vets. That means we all have additional work to do in recruiting more of these businesses and finding the ones that are ready to sell to the government.
 - SBA is leading by example, exceeding the 3 percent goal.
 - Although we are seeing lower percentages at most other federal agencies; progress is being made: Between 2006 and 2007, federal contracting with SDVOSBs increased 31 percent from \$2.9 billion to \$3.8 billion.
 - With the help of our annual Small Business Procurement Scorecard, we should see continued movement in all federal agencies toward these targets. The scorecard promotes greater transparency and accountability in contracting. It helps all agencies measure their achievements by improving the accuracy of contracting data regarding small business contracting and providing opportunities to assess agency performance in reaching these goals.

Assistance through Education and Training

- Transcending all initiatives that assist veteran-owned businesses is our extensive business education and training. Through several programs, offices, and our website, SBA

provides specific counseling, expertise, and technical assistance to veterans and service-disabled veterans, self-employed members of the Reserves, and self-employed members of the National Guard, who own a small business.

- These educational services are centered around our Office of Veterans Business Development (or OVBD for short), which is dedicated specifically to the business needs of veterans.
 - Our Veterans Business Development officers are located throughout the country-- in all 50 states and U.S. territories -- and in 68 district offices.
 - Thanks to our five Veteran Business Outreach Program Centers, we've provided counseling and training to nearly 16,000 veterans, Reservists, and service members.
 - More than 34,000 veterans and reservists have been assisted through special OVBD funded and supported community outreach events organized by our District Offices.
- In addition, the SBA's business training network and resource partners helped nearly 100,000 veteran entrepreneurs last year.
- And our Small Business Development Centers provided counseling or training to nearly 50,000 service members, veterans, and reservists.
- Moreover, the expertise of our SCORE volunteers offered counseling and training to more than 23,000 service members, veterans, and reservists who are first-time entrepreneurs or current small business owners.
- Similarly, the SBA's Women's Business Centers provided support to nearly 4,000 service members, veterans, and reservists.

Conclusion

- I'm proud of the many important ways that the SBA helps our military veterans succeed in their business endeavors. Through Patriot Express, other lending programs, government contracting, and education and training, we offer a full range of business services to our veterans.
- We are proud to be in partnership with America's fighting heroes, including many of you here today.

- My boss, President George Bush, would also be proud of what is represented in this room if he were here today. He understands the special role that small business plays in America. As he recently stated:

“If you own something, you have a vital stake in the future of our country. The more ownership there is in America, the more vitality there is in America, and the more people have a vital stake in the future of this country.”

- Surely *veteran* business owners appreciate—perhaps more than others-- what it means to have a “vital stake” in America.
- So thank you for inviting me to kick off your workshop. I wish you all the best in your endeavors and I trust that our partnerships will continue so that more brave veterans can achieve business success and realize their dreams.